

July 24, 2003

President Visits Philadelphia to Discuss Economy and Child Tax Credit

Today's Presidential Action

President Bush today visited the Financial Management Service facility in Philadelphia, Pennsylvania to highlight his economic agenda and its benefits for America's families. Beginning tomorrow this facility will send out checks to millions of families due to the increase in the child tax credit.

Increasing Child Tax Credit: The Jobs and Growth Tax Relief Reconciliation Act of 2003 increased the child tax credit for 2003 to \$1,000 per child, up from \$600. The Treasury Department will provide the difference - \$400 per child - as an advance payment to each eligible taxpayer this summer.

The President also discussed the benefits of the Jobs and Growth Act with small business owners and employees at a small business in Livonia, Michigan. This new tax relief law will encourage investment by our Nation's entrepreneurs, speed up economic growth, and help generate new jobs for America's workers.

Strengthening Small Businesses and Creating Jobs: The tax relief signed into law by the President makes it easier for businesses to expand and grow. And small businesses, the engines of job creation, will greatly benefit under the new law, which quadruples the amount they can write off on the purchase of new equipment such as computers and machinery. Small business owners will have tax savings to invest in new equipment, hire additional workers, and increase pay.

Background: Jobs and Growth Tax Relief Reconciliation Act of 2003

On May 28, 2003, President Bush signed the Jobs and Growth Tax Relief Reconciliation Act of 2003, an enormous victory for American workers, American families, American investors, and American entrepreneurs and small businesses.

This law will enable the American people and small businesses to keep more of their own money. The more money families and small businesses have to save and invest, the more likely it is that people looking for work will find a job. Under the Jobs and Growth Act of 2003, this year:

- 91 million taxpayers will receive, on average, a tax cut of \$1,126.
- 68 million women will see their taxes decline, on average, by \$1,338.
- 45 million married couples will receive average tax cuts of \$1,786.
- 34 million families with children will benefit from an average tax cut of \$1,549.
- 6 million single women with children will receive an average tax cut of \$558.
- 12 million elderly taxpayers will receive an average tax cut of \$1,401.
- 23 million small business owners will receive tax cuts averaging \$2,209.
- 3 million individuals and families will have their income tax liability completely eliminated by the Act.

Example: A married couple with two children and income of \$40,000 will see their taxes decline under the Jobs and Growth Act of 2003 by \$1,133 - from \$1,178 to \$45 in 2003, a decline of 96 percent.

The Jobs and Growth legislation is an important step toward strengthening our economy, but the President will not be satisfied until every American who is looking for work can find it, every business has a chance to grow, and prosperity reaches every corner of America.

President Bush's Actions Have Strengthened the Economy

The Department of Treasury recently released an estimate of how the U.S. economy would have performed without economic growth measures implemented under President Bush.

Without the economic growth measures proposed by President Bush, by the second quarter in 2003:

- The unemployment rate would have been nearly 1 percentage point higher.
- As many as 1.5 million fewer Americans would be working.
- Real GDP would have been as much as 2 percent lower.

Without the economic growth measures proposed by President Bush, by the end of 2004:

- The unemployment rate would have been as much as 1.6 percentage points higher.
- As many as 3 million fewer Americans would be working.
- Real GDP would have been as much as 3.5 to 4 percent lower.

In his remarks today, the President also addressed other items on his economic agenda, including:

- Lawsuit reform, so businesses can focus on creating jobs instead of fighting frivolous lawsuits.
- Comprehensive energy legislation, so families and businesses can have a stable and affordable supply of energy.
- Expanded trade relationships to enable more U.S. products to be exported, creating more jobs at home.

For more information on the President's initiatives, please visit

www.whitehouse.gov